

STAFF REPORT: WORKPLAN FOR ENCUMBERING PROPOSITION 84 PLANNING AND MONITORING FUNDS

Summary

This report provides a summary of recommended projects for Council funding consideration that would support current Sustainable Communities Planning Grants and Incentives Program (SCPGIP) grantees for the final three years of the program with funds provided under Public Resources Code Section 75072.

Recommended Action

Authorize staff to encumber of the remaining Proposition 84 Planning and Monitoring funds as follows:

- An amount not to exceed \$560,000 for the priority data, information sharing and outreach projects listed below:
 - Greenhouse Gas Reduction Quantification Support
 - Technology Support for Development and Implementation of SCPGIP Grants
 - Fiscal Impact Analysis of Select SCPGIP Grant Projects
 - Technical Assistance Coordination & Outreach supporting Infill Development
 - Identify and Disseminate SCPGIP Grants Best Practices
 - State Agency coordination and support of Metropolitan Planning Organizations' sustainable communities activities

Background

Proposition 84 allows the Strategic Growth Council (SGC) to appropriate up to ten percent of the Sustainable Communities Planning Grants and Incentives Program (SCPGIP) funding to engage in planning and monitoring efforts that are necessary to successfully design, select, and implement the program's grant projects.

In March of 2010, the Council allocated \$4.4 million dollars (five percent) of program funds to expend on planning and monitoring activities aimed at sponsoring projects that would support outreach to grantees, state agencies and departments, and local governments and regional agencies involved in advancing regional and local sustainability efforts; and the immediate and longer-term data and information needs of evolving regional and local sustainability efforts. Funds expended for these purpose have resulted in a number of completed projects as outlined in two SGC Initiatives staff reports submitted to the Council at their November (Data Initiatives) and December (Outreach Initiatives) 2013 council meetings.

Staff Request

Council action in December 2013 reprogrammed the remaining \$1.15 million of Planning and Monitoring funds and approved three data projects. In March 2014, two information sharing and outreach projects were approved, leaving a balance of \$686,895 to support future planning and monitoring efforts. This includes administrative costs to support Department of Conservation's

administrative overhead costs, specific to costs to administrate SGC Planning and Monitoring Funds and related contracts and interagency agreements through June 30, 2017.

Council staff, in consultation with Key Staff, has prepared a workplan for the Council's consideration and approval. These efforts will comprise all of the additional SGC activities for planning and monitoring of the SCPGIP projects through the conclusion of the grant program. Pending Council approval, these six projects, which focus on SCPGIP grants' project delivery and implementation, will begin early in 2015 and conclude no later than June 30, 2017.

These projects were developed to support the Council's original intent for using these funds: to advance sustainability efforts, deliver immediate and longer-term regional and local data and information needs, enhance the quality and outcome of grant projects, and support the efforts of grantees' to implement completed strategies and plans.

Specifically, Council staff proposes that planning and monitoring activities support SCPGIP grantees by providing projects that address:

- Web-based technology support
- Fiscal impact analysis
- Identification and dissemination of best practices
- Support for quantifying greenhouse gas emissions reductions
- Technical assistance for infill development
- State/Regional coordination efforts

1) GREENHOUSE GAS REDUCTION QUANTIFICATION SUPPORT (NOT TO EXCEED \$150,000):

Background: One of the State's primary policy goals is the reduction of greenhouse gas (GHG) emissions— with dedicated funding streams identified to achieve these goals. In order to align with these goals and better qualify for funding, it would be beneficial for SCPGIP grantees to develop, adopt and apply GHG quantification metrics into their planning and project implementation efforts. SCPGIP grants fund planning efforts that focus on achieving the goals of SB 375 and furthering the development of Sustainable Communities Strategies. However, only in round three of the SCPGIP did the program require grant applicants to demonstrate GHG reductions. Because of capacity issues, small and/or disadvantaged jurisdictions are especially challenged in applying reliable GHG reduction metrics.

Need: SCPGIP grantee assistance to develop, adopt and track GHG quantification using methodologies acceptable to the State; assist with developing local capacity to reliably quantify GHG emissions reductions; and, apply these quantification metrics to when implementing and monitoring planning scenarios and projects.

Justification: GHG quantification capacity is a logical skill existing grantees will need in order to implement SCSs, and a skill that will be required of any SGC grantees pursue funding through State Greenhouse Gas Reduction Fund programs designed to implement SCSs.

Recommendation: Staff recommends that the Council authorize staff to issue a request for proposals for consultation not to exceed \$ 150,000 for services to:

- Provide individualized technical training to approximately 20 jurisdictions, with priority for small and/or disadvantaged jurisdictions, to implement greenhouse gas quantification methods to planning scenarios and project implementation efforts
- Design training to build capacity of jurisdictions so they can continue to quantify GHG emissions after the consultation period has ended
- Work collaboratively with the Strategic Growth Council to document local needs, challenges and successes for small and/or under-resourced jurisdictions to adopt greenhouse gas quantification methods that result from this proposal

2) TECHNOLOGY SUPPORT FOR DEVELOPMENT AND IMPLEMENTATION OF SCPGIP GRANTS (NOT TO EXCEED \$110,000):

Background: SGC-funded planning projects have common requirements for data access, aggregation, management, analysis, presentation and reporting. This project would provide SGC support for these common grantee needs with a customized web-based information management technology that would address the data requirements for the development, implementation and reporting of awarded projects.

Need: A dedicated web-based technology platform or technology “gateway” to support SCPGIP grantees with their current planning efforts, documentation of project status and results, and foster long-term project implementation. Grantees need to access spatial information that is relevant to their regions of geographic analysis; to store and manage this information; to showcase their results along with best practices; and to prepare for the next phase of project implementation. This gateway would allow for stronger projects by ensuring that foundational data are being appropriately used to address complex issues and changing priorities in greenprints, sustainability planning, energy planning, climate action, and other components of integrated regional planning.

Justification: A dedicated web-based information management platform would provide grantees with the technology foundation to access the standardized information that is critical to the development and implementation of their projects. The results from SCPGIP grantees’ current projects could be added to a broader library of planning information to broaden the context for Integrated Regional Planning. Existing analytical and reporting tools could be linked to the system, and new functions could be constructed to support the development and implementation of SCPGIP Projects and Integrated Regional Plans. It would serve as a platform for grantees to manage their data, monitor progress, and report results. Additionally, SGC would be able to efficiently monitor and report the progress of all funded projects. These funds would be used to integrate selected information, functionality and tools into an existing technology platform to address these SCPGIP Project and SGC requirement.

Recommendation: Staff recommends that the Council authorize staff to issue a request for proposals or an interagency agreement(s) for consultation not to exceed \$110,000 for services to:

- Work with SGC grantees and key partners to set information & system requirements.
- Complete contract with an appropriate implementation institution.
- Develop a ‘branded’ SGC technology ‘gateway’.

- Build required functionality for data integration, visualization, analysis and reporting.
- Upload core datasets to address SGC project needs.
- Create workgroups to support the needs of grantees, and groups of grantees.
- Establish standard practice for grantee reporting of project development and results so that all projects can be monitored and reported relative to project and program goals.
- Train grantees, SGC staff, and partners on system function and use.

3) FISCAL IMPACT ANALYSIS OF SELECT SCPGIP GRANT PROJECTS (NOT TO EXCEED \$100,000)

Background: Cities and counties have authority to make decisions regarding land use and development approvals, including decisions about whether to plan for, incentivize, and permit new growth in greenfield versus infill areas. Particularly in economically-challenged communities, new development is attractive because of projected future revenue from property tax, sales tax, and/or development fees. However, the **location** of new development often has significant impact on the long-term public costs of new growth, such as the cost to a city or county of extending and maintaining public services and infrastructure to a new growth area.

A fiscal impact analysis provides an objective measure of projected future **public costs versus revenues** of a proposed development plan. Fiscal impact models take into account both the public revenue expected from future growth and the public cost of serving that growth with infrastructure and services over time, and in many cases may illustrate unforeseen public costs of greenfield development that make infill alternatives more attractive. This gives stakeholders shared, objective information with which to compare growth alternatives, and can inform a community's policy and decision-making regarding where and how to direct new investment and growth.

Need: Fiscal impact analyses for select SGC grantee communities to project and summarize the long-term public costs and revenues of SCPGIP-funded projects.

Justification: The fiscal impact analyses will support SCPGIP grantee projects by providing additional information to help inform policy and implementation decisions. Additionally, the resulting analyses will be summarized and made publicly available through the SGC website to help inform other planning projects throughout the state. The analyses may also inform future state policy and program guidelines by suggesting guidelines for evaluating the location efficiency of new investment.

Recommendation: Staff recommends that the Council authorize staff to issue a request for proposals for consultation not to exceed \$100,000 for services to:

- In collaboration with SGC staff, draft a call for applications describing the purpose and intent of the technical assistance grant for fiscal impact analysis, available resources, expected number of grantees, etc. SGC will provide oversight and final review of the solicitation language and will issue the call for applications.
- Assist SGC staff with review of applications as appropriate. SGC will retain final authority to make awards.
- For each community awarded a fiscal impact technical assistance grant:

- Perform an initial consultation with City or County staff and other stakeholders as appropriate to understand the purpose and scope of the desired analysis
- Perform fiscal impact analysis which may include up to three project alternatives and over a long-term (e.g. 20-30 year horizon):
 - Projected revenues from the project, including relevant sales tax, property tax, and development fees
 - Projected public costs of the project, including the cost of providing and maintaining public services and infrastructure
 - Report summarizing a comparative analysis of the findings
- Provide draft report to both grantee and to SGC for review and comment
- Respond to comments in a final report.
- Provide a summary report, which draws upon lessons from each individual analysis to draw some general conclusions and recommendations for all California communities.

4) INFILL DEVELOPMENT: TECHNICAL ASSISTANCE AND OUTREACH (NOT TO EXCEED \$75,000):

Background: SGC and its member agencies have promoted infill and compact development as a means to support a more sustainable and resource-efficient state. Efforts from OPR via its upcoming General Plan Guidelines update, Infill Template, and CEQA Guidelines; and, SGC's efforts related to its commissioned Infill Finance Options report, membership on the Fresno General Plan Implementation Task Force, and other convenings all contribute to a suite of tools to support local government policies and implementation of increased compact development.

Need: The SGC, along with its member agencies and departments, have developed or are in the process of developing, a number of tools and technical assistance efforts to support local infill development. Many SCPIG grantees, as part of their work program, are addressing challenging infill policy issues, which could be informed by coordination and technical assistance related to State efforts.

Justification: Coordination related to infill development policy guidance to SCPIG grantees, in addition to providing on-the-ground expertise, would support local project implementation. Technical assistance workshops featuring best practices and opportunities - and specific to regional/local needs (for example suburban infill around transit oriented development, or location-efficient infill in rural areas) would provide a means for locals to better understand the definition of and context for infill development within their respective communities.

This includes but is not limited to identifying opportunities and challenges of siting this type of development, examining plan feasibility and financing options, constructing approaches and strategies, addressing planning and entitlement constraints, adjusting and incentivizing plans, plan implementation, measuring and monitoring performance, and consideration of external factors (economic, political) in supporting infill and compact development. SGC staff propose a series of five technical assistance workshops held throughout the state that focuses on geographically-specific needs, allowing existing SGC grantees to access targeted infill development implementation

expertise, and result in best practices materials and templates that would be disseminated to all interested jurisdictions in the state.

Recommendation: Staff recommends that the Council authorize staff to issue a request for proposals for consultation not to exceed \$75,000 for services which could include the following tasks:

- Compile information, templates and best practices addressing the feasibility, financing, planning, implementation, and monitoring aspects of infill development.
- Identify pre-workshop interests and needs discussions with a sample set of SCPGIP grantees.
- Meet with the SGC infill development working group to acquire input, feedback and guidance about the workshops' design, focus, content and presenters.
- Develop workshop framework, curriculum and materials.
- Recruit speakers and experts to present at the workshops.
- Manage logistics and communications for five events directed at geographically-specific infill development needs.
- Provide workshop facilitation, direction and support.
- Submit a summary for each event describing activities, outcomes and
- Submit a report that presents findings and action steps that SGC member agencies can take to support infill development.

5) IDENTIFY AND DISSEMINATE SCPGIP GRANTS BEST PRACTICES (NOT TO EXCEED \$75,000):

Background: The 124 SCPGIP projects were funded to support local and regional government planning processes to develop approaches, adopt land use plans, and implement policies to transform communities and create long-term prosperity. These projects have the potential to inform and instruct other communities throughout the state about the strategies and best practices being used to achieve desired outcomes. These projects embody a wealth of practical experience, processes, strategies and techniques suggesting various options that can be adapted to the unique needs and circumstances of individual communities.

Need: Identify and analyze the activities initiated and the policies developed through projects funded in the SCPGIP Program in order to understand and communicate the approaches available for developing goals and objectives, engaging stakeholders and the public, executing strategies for implementation, and producing metrics and performance measures that lead the success of these projects.

Justification: Performing an assessment of SCPGIP projects would result in findings identifying the factors that contribute to the highest quality and most successful planning activities. Developing communication pieces featuring this information in an easy to understand format would disseminate best practices, planning approaches and strategies that can be replicated by grantees interested in engaging in similar planning activities, as well as any local and regional governments. Providing this information on the SGC website would make the information accessible to end users and the public.

Recommendation: Staff recommends that the Council authorize staff to issue a request for proposals for consultation not to exceed \$75,000 for services to:

- Identify policies and activities initiated in the awarded SCPGIP projects.
- Assess projects for clarity of goals and objectives, strategy development for project implementation, success in completing the proposed project, and metrics used to define and track performance.
- Based on the assessment and input from staff, evaluate the factors that contributed to the highest quality and most successful planning activities, emphasizing factors that are essential to achieving success.
- Interact with SCPGIP grant project managers to define and structure their efforts into project guidance documents, providing step-by-step details on how to replicate this work.
- Design easy to understand best practices concept pieces based on the most successful and replicable projects. These pieces shall be targeted to assist SCPGIP grantees that are interested in engaging in similar planning activities, as well as local and regional governments in California.
- Provide an electronic version of the completed project guidance documents/best practices concept pieces for SGC to download onto their site and share with other organizations interested in adding these resources into their libraries/ repositories.

6) STATE AGENCY COORDINATION AND SUPPORT OF METROPOLITAN PLANNING ORGANIZATIONS' SUSTAINABLE COMMUNITIES ACTIVITIES (NOT TO EXCEED \$50,000):

Background: Senate Bill 375 (SB 375), the Sustainable Communities and Climate Protection Act of 2008 requires the State's eighteen federally designated Metropolitan Planning Organizations (MPOs) - comprised of 37 counties representing 97.7% of the state's population - to demonstrate how development patterns, transportation networks, policies, and programs can work together to achieve greenhouse gas emission reduction targets for cars and light trucks. SB 375 requires MPOs to prepare a Sustainable Communities Strategies (SCS) as an integral part of each entity's federally mandated Regional Transportation Plan (RTP). These SCSs are to identify and align planning efforts to support both the regional housing and the transportation networks needs of the region.

Need: SGC member agencies and departments need to develop a structured approach for consistent long-term collaboration with regional agencies to exchange information, share best practices, and combine knowledge and resources that achieve the State's climate action goals to reduce greenhouse gas (GHG) emissions through the coordinated transportation and land use planning described in regional SCSs. Technical and policy areas in which state-regional coordination are most critical are in transportation modeling and land use scenario planning, coordination of integrated regional planning (aligning infrastructure and conservation priorities), and infill development policy.

Justification: MPO obligations to reduce GHG emissions align closely with the state's goals and priorities. Fourteen (77%) of the state's MPOs have been awarded SCPGIP grants, with twelve of these grantees' receiving an additional \$7.5 million to fund forecasting model enhancements including modeling capacity research, acquisition of key information and data sets, advanced

integration software, and activity-based model validation and sensitivity testing. Developing an ongoing association with regional agencies would support the SGC's goals to further coordination of member agencies' activities and funding programs while developing policies, investment strategies and priorities that encourage the development of sustainable communities.

Recommendation: Staff recommends that the Council authorize staff to issue a request for proposals for consultation not to exceed \$50,000 for services to support technical and policy coordination of the California MPO/State Agency SB 375 Implementation Working Group to support and further the implementation of regional SCSs:

- Identify priorities of MPOs and SGC agencies and departments around SCS implementation and discuss constructive partnerships developed among regional agencies and stakeholder groups that are spurring advances in SCS planning and implementation.
- Convene California MPO/State Agency SB 375 Implementation Working Group meetings to focus on approaches that spur local implementation of regional SCSs that include information and support, funding, tools and the metrics needed for success; assist regions that are developing data, information, and modeling technologies that support jurisdictions' with integrating SCS principles into local plans, and improve SCSs in the future.
- Design a list of working group activities and milestones to set the stage for regional and local success in implementing regional SCSs.
- Evaluate and report on (based on interview data and participant feedback) the working group's activities, outcomes, implementation steps, and timelines.